INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION

WASHINGTON, D. C. 20224

Industry Circular No. 66-12   May 26, 1966

SWEETENING OF NATURAL FRUIT WINE

Proprietors of bonded wine cellars
    and others concerned:

Purpose. This circular is issued to inform you of a revenue ruling regarding the sweetening of natural fruit wine, which will be published in an early issue of the Internal Revenue Bulletin.

Substance of Ruling. Section 5384(a) of the Internal Revenue Code provides that to natural wine made from berries or fruit other than grapes, pure dry sugar or liquid sugar may be added to the juice in the fermenters, or to the wine after fermentation; but only if such wine has less than 14 percent alcohol by volume after complete fermentation, or after complete fermentation and sweetening, and a total solids content not in excess of 21 percent by weight.

The provisions of 26 CFR 240.406 implement section 5384(a) of the Code with respect to the production of a natural fruit wine, other than grape wine, with the use of pure dry sugar or liquid sugar. 26 CFR 240.406 provides, in part, that after complete fermentation of the wine, wine spirits may be added thereto in accordance with the provisions of regulations. It was not the intent of the regulations to preclude the final sweetening of wine after wine spirits have been added.

Accordingly, the ruling holds that the final sweetening of natural fruit wines produced under the provisions of 26 CFR 240.406 may be deferred until after wine spirits have been added. However, the quantity of pure dry sugar or liquid sugar that may be used for such sweetening must be based on the total solids content and volume of the wine before the addition of the wine spirits.

Inquiries. Inquiries regarding this industry circular should refer to its number and be addressed to the office of your Assistant Regional Commissioner, Alcohol and Tobacco Tax.

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